

## Message Text

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PAGE 01 BUENOS 02138 211625Z  
ACTION SY-05

INFO OCT-01 ARA-06 ISO-00 L-03 JUSE-00 SCA-01 FBIE-00  
EB-08 CIAE-00 INR-07 NSAE-00 /031 W  
-----211906Z 025777 /46

R 211528Z MAR 77  
FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 9648  
INFO AMEMBASSY LA PAZ

LIMITED OFFICIAL USE BUENOS AIRES 2138

E.O. 11652: GDS  
TAGS: ASEC  
SUBJECT: INFORMATION RE POSSIBLE FRAUD

REF: LA PAZ 2016

1. INFORMATION CONTAINED REFERENCED TELEGRAM APPRECIATED BY LEGATT.

2. FOR YOUR INFORMATION, JORGE ESPANA SMITH, WHILE ASSIGNED TO THE BOLIVIAN MISSION TO THE UNITED NATIONS IN 1958, UTILIZED A FICTITIOUS BILL OF LADING INDICATING THE PURCHASE IN THE UNITED STATES AND THE SHIPMENT TO SOUTH AMERICA OF 15 USED SCHOOL BUSES THROUGH WHICH HE FRAUDULENTLY OBTAINED \$28,000 FROM A U.S. COMPANY. A SEVEN-COUNT INDICTMENT WAS RETURNED BY A FEDERAL GRAND JURY IN THE SOUTHERN DISTRICT OF NEW YORK CHARGING ESPANA WITH VIOLATIONS OF TITLE 18, SECTIONS 121, 2314, 2 AND 1341, U.S. CODE. A WARRANT FOR ESPANA'S ARREST WAS ISSUED ON 1/24/63. SUBSEQUENT TO HIS ASSIGNMENT TO THE BOLIVIAN MISSION TO THE UNITED NATIONS, ESPANA HELD A DIPLOMATIC ASSIGNMENT IN JAPAN. HOWEVER, HE WAS SUBSEQUENTLY DISMISSED FROM THE BOLIVIAN FOREIGN SERVICE AND ACCORDINGLY, CANNOT CLAIM DIPLOMATIC IMMUNITY. THE DEPARTMENT OF JUSTICE AND THE DEPARTMENT OF STATE INDICATED THAT ESPANA WILL BE ARRESTED, SHOULD HE

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RETURN TO THE UNITED STATES.

3. AFTER LEAVING JAPAN, ESPANA RESIDED IN BUENOS AIRES AND CARACAS. INVESTIGATION ESTABLISHED THAT ESPANA DEPARTED CARACAS DURING 1972 AND RETURNED TO BOLIVIA WITH HIS FAMILY. ESPANA IS STILL A FUGITIVE BEING SOUGHT BY THE FBI.

4. IN JUNE, 1976, THE BOLIVIAN NATIONAL POLICE WERE REQUESTED TO VERIFY ESPANA'S PRESENCE IN BOLVIA. BY COMMUNICATION DATED 8/8/76, THE BOLIVIAN NATIONAL POLICE ADVISED THAT ESPANA COULD NOT BE LOCATED IN BOLVIA AND THAT INVESTIGATION TO ASCERTAIN HIS WHEREABOUT WAS CONTINUING. THE BOLIVIAN NATIONAL POLICE'S INABILITY TO LOCATE ESPANA WOULD APPEAR TO BE HIGHLY UNUSUAL BASED ON INFORMATION CONTAINED IN REFTEL INDICATING THAT UNTIL JANUARY, 1977, ESPANA WAS THE EXECUTIVE SECRETARY OF THE BOLIVIAN MINISTRY OF THE INTERIOR. IT APPEARS PROBABLE THAT THE BOLIVIAN NATIONAL POLICE WAS PROTECTING ESPANA THROUGH THEIR ASSERTION THE HE COULD NOT BE LOCATED IN BOLVIA.

5. COMPLETE INFORMATION CONCERNING ESPANA WAS PROVIDED TO THE EMBASSY, LA PAZ IN A MEMORANDUM FROM THE LEGAL ATTACHE DATED 6/3/76 WHICH ATTACHED A SELF EXPLANATORY FBI MEMORANDUM DATED 4/26/76.

HILL

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FRAUDS  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009